

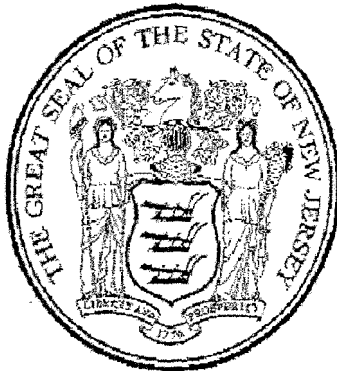
DC

QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE QUARTER ENDED DECEMBER 31, 2002

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



BALANCE SHEETS

AS OF DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 18,613	\$ 15,168
2	Marketable securities (Short Tm. money market at cost).....	104,347	195
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$4,202; 2001,\$3,894)..... Note 3.....	5,098	8,273
4	Inventories.....	1,289	1,536
5	Prepaid Expenses and Other Current Assets.....	7,713	5,342
6	Total Current Assets.....	137,060	30,514
7	Investments, Advances, and Receivables..... Note 4.....	18,529	18,535
8	Property and Equipment - Gross.....	158,775	130,605
9	Less: Accumulated Depreciation and Amortization.....	(12,934)	(4,466)
10	Property & Equipment - Net..... Note 5.....	145,841	126,139
11	Other Assets.....	7,924	3,956
12	Total Assets.....	\$ 309,354	\$ 179,144
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,563	\$ 5,746
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates..... Note 8.....	-	9,400
16	Other..... Note 8.....	1,004	829
17	Income Taxes Payable and Accrued..... Note 11.....	-	1,695
18	Other Accrued Expenses..... Note 6.....	18,027	16,794
19	Other Current Liabilities..... Note 7.....	8,789	4,063
20	Total Current Liabilities.....	33,383	38,527
	Long-Term Debt:		
21	Due to Affiliates..... Note 8.....	176,151	87,318
22	Other.....	6,857	1,183
23	Deferred Credits.....	4,653	1,349
24	Other Liabilities.....	-	- *
25	Commitments and Contingencies..... Note 12.....	-	-
26	Total Liabilities.....	221,044	128,377
27	Stockholders, Partners', or Proprietor's Equity.....	88,310	50,767 *
28	Total Liabilities and Stockholders'Equity.....	\$ 309,354	\$ 179,144

* Prior year information has been restated to conform to current year presentation.

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 259,208	\$ 241,104 *
2	Rooms.....	13,031	14,079
3	Food and Beverage.....	24,649	24,857
4	Other.....	6,488	5,691
5	Total Revenue.....	303,376	285,731
6	Less: Promotional Allowances.....	68,856	62,349 *
7	Net Revenue.....	234,520	223,382
	Costs and Expenses:		
8	Cost of Goods and Services.....	166,877	163,167 *
9	Selling, General, and Administrative.....	29,804	26,837 *
10	Provision for Doubtful Accounts.....	1,305	1,555
11	Total Costs and Expenses.....	197,986	191,559
12	Gross Operating Profit.....	36,534	31,823
13	Depreciation and Amortization.....	10,693	10,308
14	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	25,841	21,515
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....Note 9.....	(17,726)	(11,552)
18	Interest (Expense) - External.....	(248)	(1,822)
19	Investment Alternative Tax and Related Expense, Net of Amortization of \$4 and \$14 Respectively.....	(550)	(927)
20	Nonoperating Income (Expense) - net.....Note 10.....	(1,243)	676 *
21	Total Other Income (Expenses).....	(19,767)	(13,625)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	6,074	7,890
23	Provision (Credit) for Income Taxes.....Note 11.....	3,197	5,046
24	Income (Loss) Before Extraordinary Items.....	2,877	2,844
25	Extraordinary Items (net of income tax benefit).....	-	-
26	Net Income (Loss).....	\$ 2,877	\$ 2,844

* Prior year information has been restated to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CCC-210

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 56,944	\$ 56,501 *
2	Rooms.....	2,653	3,320
3	Food and Beverage.....	5,342	6,016
4	Other.....	1,269	1,412
5	Total Revenue.....	66,208	67,249
6	Less: Promotional Allowances.....	14,792	15,603 *
7	Net Revenue.....	51,416	51,646
	Costs and Expenses:		
8	Cost of Goods and Services.....	39,171	40,180 *
9	Selling, General, and Administrative.....	7,360	5,924 *
10	Provision for Doubtful Accounts.....	391	1,050
11	Total Costs and Expenses.....	46,922	47,154
12	Gross Operating Profit.....	4,494	4,492
13	Depreciation and Amortization.....	3,492	1,984
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	1,002	2,508
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(4,950)	(1,923)
18	Interest (Expense) - External.....	(84)	(45)
19	Investment Alternative Tax and Related Expense, Net of Amortization of \$0 and \$5 Respectively.....	(1,309)	(190)
20	Nonoperating Income (Expense) - net.....	753	(92) *
21	Total Other Income (Expenses).....	(5,590)	(2,250)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(4,588)	258
23	Provision (Credit) for Income Taxes.....	(2,009)	103
24	Income (Loss) Before Extraordinary Items.....	(2,579)	155
25	Extraordinary Items (net of income tax benefit).....	-	-
26	Net Income (Loss).....	\$ (2,579)	\$ 155

* Prior year information has been restated to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2000.....	1,000,000	\$ 1,000		\$	\$ 123,660		\$ (67,165)	\$ 57,495
2	Net Income (Loss) - 2001.....							2,844	2,844
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	Adjustment Due to Purchase Of Company					(82,160)		72,209	(9,951)
7	Stock Options Granted to employees and consultants.....					379			379 *
8									
9									
10	Balance, December 31, 2001.....	1,000,000	1,000			41,879		7,888	50,767
11	Net Income (Loss) - 2002.....							2,877	2,877
12	Contribution to Paid-in -Capital.....					35,000			35,000
13	Dividends.....								-
14	Prior Period Adjustments.....								-
15	Sale of Hedging Instrument							(151)	(151)
16	Stock Options Granted to employees and consultants.....					(183)			(183)
17									-
18									-
19	Balance, December 31, 2002.....	1,000,000	\$ 1,000		\$	\$ 76,696	\$	\$ 10,614	\$ 88,310

* Prior year information has been restated to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

6-30-03

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	Net Cash Provided (Used) by Operating Activities.....	\$ 26,997	\$ 14,682
	Cash Flows From Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(21,640)	(12,806)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(3,179)	(2,989) *
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	CRDA Reimbursement.....	1,492	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(23,327)	(15,795)
	Cash Flows From Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	(682)	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	2,084
16	Costs of Issuing Debt.....	(8,516)	(2,810)
17	Payments to Settle Long-Term Debt.....	-	(951)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	35,000	42,500
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Other Financing Activities.....	(992)	(142,000)
22	Advances from (Repayment to) Parent Company and Affiliates.....	79,117	96,200
23	Net Cash Provided (Used) By Financing Activities.....	103,927	(4,977)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	107,597	(6,090)
25	Cash and Cash Equivalents at Beginning of Period.....	15,363	21,453
26	Cash and Cash Equivalents at End of Period.....	\$ 122,960	\$ 15,363

	Cash Paid During Period For:		
27	Interest (Net of Amount Capitalized).....	\$ 12,889	\$ 4,610 *
28	Income Taxes.....	\$ 4,350	\$ 4,525

* Prior year information has been restated to conform to current year presentation.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

Amended

6-30-03

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Net Cash Flows From Operating Activities:		
29	Net Income	\$ 2,877	\$ 2,844
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	8,468	8,954
31	Amortization of Other Assets.....	2,225	1,354
32	Amortization of Debt Discount or Premium.....	316	25
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	3,304	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	550	927
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'.....		
38	Checks	3,175	(168)
39	Net (Increase) Decrease in Inventories.....	247	(139)
40	Net Decrease (Increase) in Other Current Assets.....	(2,523)	(663)
41	Net Decrease (Increase) in Other Assets.....	1,083	(1,133)
42	Net Increase (Decrease) in Accounts Payable.....	(183)	340
	Net (Decrease) Increase in Other Current Liabilities		
43	Excluding Debt.....	4,262	2,253
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	(182)	88
45	Loss on extinguishment of debt.....	3,378	-
46	Write-Off of Goodwill.....		
47	Net Cash Provided (Used) By Operating Activities.....	\$ 26,997	\$ 14,682

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ 28,170	\$ 13,105
49	Less: Capital Lease Obligations incurred.....	(6,530)	(299)
50	Cash Outflows for Property and Equipment.....	\$ 21,640	\$ 12,806
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 35,000	\$ 42,500
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 35,000	\$ 42,500

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	173,750	\$ 11,209	260	\$ 57
2	Food	1,060,267	13,626	240	26
3	Beverage	442,425	2,526	-	-
4	Travel	-	-	16,876	1,915
5	Bus Program Cash	725,452	10,124	-	-
6	Other Cash Complimentaries	629,605	29,485	-	-
7	Entertainment	41,848	1,602	1,602	358
8	Retail & Non-Cash Gifts	12,515	144	1,278	268
9	Parking	-	-	-	-
10	Other	4,488	140	46,407	1,110
11	Total	3,090,350	\$ 68,856	66,663	\$ 3,734

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	35,540	\$ 2,275	122	\$ 16
2	Food	257,032	2,938	56	5
3	Beverage	102,077	591	-	-
4	Travel	-	-	4,800	335
5	Bus Program Cash	149,637	2,102	-	-
6	Other Cash Complimentaries	139,821	6,586	-	-
7	Entertainment	5,834	251	613	84
8	Retail & Non-Cash Gifts	1,928	21	126	54
9	Parking	-	-	-	-
10	Other	1,912	28	7,585	237
11	Total	693,781	\$ 14,792	13,302	\$ 731

RESORTS INTERNATIONAL HOTEL INC.
NOTES TO FINANCIAL STATEMENTS

1. Merger and Basis of Presentation

Colony RIH Holdings, Inc., a Delaware corporation ("CRH"), owns 100% of the outstanding common stock of Resorts International Hotel and Casino, Inc., also a Delaware corporation ("RIHC"). RIHC, through its wholly-owned subsidiary, Resorts International Hotel, Inc., a New Jersey corporation ("RIH" or the "Company"), owns and operates Resorts Atlantic City, a casino/hotel located in Atlantic City, NJ.

RIHC, Sun International North America, Inc., a Delaware corporation ("SINA"), and GGRI, Inc., a Delaware corporation ("GGRI"), entered into a purchase agreement, dated October 30, 2000, as amended (the "Purchase Agreement"). Pursuant to the Purchase Agreement, RIHC acquired all of the capital stock of RIH, the Warehouse Assets (as defined in the Purchase Agreement) and all of the capital stock of New Pier Operating Company, Inc. ("New Pier"), a New Jersey corporation (collectively, the "Acquisition") on April 25, 2001 for approximately \$144.8 million.

The Acquisition has been accounted for using the purchase method, and accordingly, the aggregate purchase price, including transaction fees and expenses, has been allocated based on the fair value of the assets acquired and liabilities assumed.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allowances for doubtful accounts arising from casino, hotel and other services, are based upon a specific review of certain outstanding receivables. In determining the amounts of the allowances, certain estimates and assumptions are made, and actual results may differ from those assumptions.

Cash Equivalents

Short-term money market securities purchased with original maturities of three months or less are considered to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short-term maturity of these instruments.

Marketable Securities

On March 22, 2002, RIHC sold \$180.0 million aggregate principal amount of 11-1/2% first mortgage notes (the "First Mortgage Notes") (see Note 8, "Long-Term Debt"). Concurrent with the sale of the First Mortgage Notes, CRH issued class A common stock and class B common stock to its existing shareholders for a total price of approximately \$35.0 million. The proceeds from the sale of the First Mortgage Notes and issuance of stock were used to retire existing debt and will be used to finance the cost to develop, construct and equip a new hotel tower. Additionally, \$10.0 million of the proceeds from the issuance of stock has been deposited in a liquidity disbursement account to be used for working capital in the event that RIH's Adjusted Consolidated EBITDA, as defined in the First Mortgage Notes Indenture, fails to meet certain specified criteria, as described in the Indenture. Of the proceeds, approximately \$90.0 million is considered a restricted cash investment under the terms of the debt offering and is included in Marketable Securities on the accompanying balance sheet as of December 31, 2002.

Inventories

Inventories of provisions, supplies and spare parts are valued at the lower of cost (first-in, first-out) or market.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives reported below using the straight-line method. Interest costs incurred during the construction period are capitalized in accordance with Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Costs." Interest expense of \$429,000 and \$18,000 were capitalized for the years ended December 31, 2002 and 2001, respectively.

Hotels and other buildings.....	35 - 40	years
Furniture, fixtures and equipment.....	2 - 5	years

The provisions of Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment for Disposal of Long-Lived Assets" requires, among other things, that an entity review its long-lived assets and certain intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable.

As a result of SINA entering into the agreement to sell RIH (see Note 1) at a purchase price less than the carrying value of RIH's net assets, SINA recorded a loss of \$229.2 million in the fourth quarter of 2000 to reflect the write down of net assets held for sale. RIH did not record an impairment charge because RIH evaluated the recoverability of its long-lived assets on a standalone, held for use basis and RIH's estimate of future undiscounted cash flows was in excess of its carrying value for long-lived assets.

Goodwill

Prior to the Acquisition, RIH amortized goodwill on a straight-line basis over 40 years. Amortization of goodwill included in the accompanying statements of income amounted to \$836,000 for the twelve months ended December 31, 2001.

Income Taxes

Prior to the Acquisition, RIH's taxable income (loss) was included in the consolidated Federal income tax returns of SINA. Although RIH was a member of a consolidated group for Federal income tax purposes, RIH calculated its income tax provision on a separate return basis for financial reporting purposes.

RIH follows the provisions of SFAS 109, "Accounting for Income Taxes". Accordingly, deferred tax assets and liabilities are calculated as the difference between the financial statement carrying amounts and tax bases of assets and liabilities. These differences are affected by the tax rate for the year in which they are expected to be recovered or settled. A valuation allowance is recognized, if necessary, to account for the likelihood that these differences will not be realized in the future. Note 11 further addresses the components of the deferred tax assets and liabilities.

Revenue Recognition

Gaming revenue is recorded as the net win from gaming activities, which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to their current period presentation.

New Accounting Pronouncements

In June 2001, Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") was issued. This Statement addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The Company adopted SFAS No. 142 on January 1, 2002. Adjusting the statement of operations to reflect the adoption of SFAS No. 142 by excluding amortization of goodwill totaling \$836,000 for the year ended December 31, 2001 would have resulted in a net loss of \$4.1 million for the year ended December 31, 2001.

2. Summary of Significant Accounting Policies (continued)

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 62, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 requires, among other provisions, that gains and losses on certain extinguishments of debt to be classified as income or loss from continuing operations rather than as extraordinary items as previously required under SFAS No. 4. SFAS No. 145 is effective for fiscal years beginning after May 15, 2002. Upon adoption of SFAS No. 145, any gain or loss on extinguishment of debt previously classified as an extraordinary item in prior periods that does not meet the criteria of APB Opinion No. 30 for such classification is to be reclassified to conform to the provisions of SFAS No. 145. Earlier application of the provisions of SFAS No. 145 related to the rescission of SFAS No. 4 is encouraged. The Company early adopted the provisions of SFAS No. 145 and has classified a loss on the extinguishment of debt of \$3.4 million in accordance with the provisions of this pronouncement.

3. Receivables

Components of receivables were as follows at December 31 (in thousands):

	2002	2001
Gaming.....	\$8,135	\$9,013
Less: allowance for doubtful accounts.....	(4,161)	(3,793)
	<u>3,974</u>	<u>5,220</u>
Non-gaming:		
Hotel and related.....	282	398
Other.....	883	2,756
	<u>1,165</u>	<u>3,154</u>
Less: allowance for doubtful accounts.....	(41)	(101)
	<u>1,124</u>	<u>3,053</u>
Receivables, net.....	<u>\$5,098</u>	<u>\$8,273</u>

4. Investments, Advances and Receivables

Components of investments, advances and receivables were as follows at December 31 (in thousands):

	2002	2001
CRDA bonds and direct investments.....	\$9,440	\$6,620
CRDA deposits.....	18,730	21,808
Valuation allowance.....	(9,641)	(9,893)
	<u>\$18,529</u>	<u>\$18,535</u>

The New Jersey Casino Control Act, as amended, requires RIH to purchase bonds issued by the Casino Reinvestment Development Authority (CRDA) or make other investments authorized by the CRDA, in an amount equal to 1.25% of RIH's gross gaming revenue, as defined.

The CRDA bonds have interest rates ranging from 3.5% to 7.0% and have repayment terms of between 20 and 50 years. The Company records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for the year 2002 and 2001 for discounts on obligations arising in those years were \$547,000 and \$947,000, respectively. The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest method.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits. The majority of the Company's deposits have been pledged for specific projects.

5. Property and Equipment

Components of property and equipment were as follows at December 31 (in thousands):

	2002	2001
Land and land rights.....	\$34,698	\$36,886
Hotels and other buildings.....	79,038	71,829
Furniture, fixtures and equipment.....	30,435	12,800
Construction in progress.....	14,604	9,090
	<u>158,775</u>	<u>130,605</u>
Less: accumulated depreciation.....	(12,934)	(4,466)
Net property and equipment.....	<u>\$145,841</u>	<u>\$126,139</u>

6. Other Accrued Expenses

Components of other accrued expenses were as follows at December 31 (in thousands):

	2002	2001
Insurance and related costs.....	\$1,623	\$1,715
Payroll.....	9,293	8,099
Gaming taxes and fees.....	3,125	2,692
Other.....	3,986	4,288
	<u>\$18,027</u>	<u>\$16,794</u>

7. Other Current Liabilities

Components of other current liabilities were as follows at December 31 (in thousands):

	2002	2001
Interest payable.....	\$6,038	\$1,277
CRDA bond obligation.....	714	714
Other.....	2,037	2,072
	<u>\$8,789</u>	<u>\$4,063</u>

8. Long-Term Debt

Due to Affiliates

Affiliated long-term debt is summarized as follows at December 31 (in thousands):

	2002	2001
First Mortgage Notes, net of unamortized discount.....	\$176,151	\$ --
Revolving credit facility.....	--	4,000
Term loans.....	--	74,700
Seller note.....	--	18,018
	<u>176,151</u>	<u>96,718</u>
Less: current portion	--	9,400
	<u>\$176,151</u>	<u>\$ 87,318</u>

On March 22, 2002, RIHC sold \$180.0 million aggregate principal amount of First Mortgage Notes at a price of 97.686% yielding \$175.8 million. Interest on the First Mortgage Notes is payable on March 15 and September 15 of each year, and the First Mortgage Notes are due in full on March 15, 2009. In conjunction with the issuance of the First Mortgage Notes, RIHC issued a note to RIH with terms that mirror those of the First Mortgage Notes.

8. Long-Term Debt (continued)

The First Mortgage Notes contain certain covenants that, among other things, will limit RIHC's ability and the ability of its subsidiaries to pay dividends on, redeem or repurchase its or their capital stock, make investments, incur additional indebtedness, permit payment of or restrict dividends by certain of its subsidiaries, enter into sale leaseback transactions, sell assets, guarantee indebtedness, create certain liens, engage in transactions with affiliates, and consolidate, merge or transfer all or substantially all its assets and the assets of its subsidiaries on a consolidated basis.

In conjunction with the Acquisition, RIHC borrowed \$82.0 million under an Amended and Restated Credit Agreement, dated April 25, 2001, from the lenders named therein. The Credit Facility was comprised of \$80.0 million in term loans (Term Loan A for \$25.0 million and Term Loan B for \$55.0 million) and a \$10.0 million revolving credit facility. Principal payments on the term loans were due quarterly, commencing on June 29, 2001. Interest on borrowings outstanding was either at LIBOR or an alternative base rate, plus an applicable margin in each case. The outstanding balance on the Credit Facility was repaid on March 22, 2002, with the proceeds from the sale of the First Mortgage Notes. Additionally, the Company terminated its existing interest rate collar agreements. In conjunction with the acquisition, RIHC issued notes to RIH with terms that mirror the term loans and the revolving credit facility.

In conjunction with the Acquisition, CRH also issued a \$17.5 million note to SINA (the "Seller Note"). The Seller Note was subordinated to the term loans under the Credit Facility and had a 7-year term. This loan had interest at 12.5% per annum of which 6.25% was payable in cash and 6.25% was paid in kind. There was no amortization of principal on this loan. The Seller Note was repaid on March 22, 2002, with the proceeds from the sale of the First Mortgage Notes. In conjunction with the acquisition, RIHC issued notes to RIH with terms that mirror the seller note.

In connection with the repayment of the Credit Facility and the Seller Note, the Company recorded a loss on extinguishment of debt of \$3,378,000 related to pre-payment penalties and the write-off of deferred financing costs associated with the Credit Facility.

Other

Other long-term debt is summarized as follows at December 31 (in thousands):

	2002	2001
Thermal Energy capital lease.....	\$ 6,562	\$ --
Other.....	1,299	2,012
	<u>7,861</u>	<u>2,012</u>
Less: current portion	1,004	829
	<u>\$ 6,857</u>	<u>\$ 1,183</u>

On June 16, 2002, RIH entered into a Thermal Energy Services Agreement (the "Thermal Agreement"). The initial terms of the Thermal Agreement is 20 years, renewable at RIH's option for two additional five year terms. The Agreement has three components: a monthly charge for operation and maintenance of the thermal energy facilities; a capital lease component for capital improvements whose value was estimated at \$6.5 million on the date the Thermal Agreement was executed, and; a usage fee for steam and chilled water, whose usage and rate will vary by month of the year. The outstanding balance of the capital lease was \$6.6 million at December 31, 2002.

9. Related Party Transactions

RIH recorded the following expenses from affiliates for the year ended December 31 (in thousands):

	2002	2001
Interest and amortization of discounts on notes payable to SINA.....	\$ --	\$ 5,725
Interest on Credit Facility.....	53	75
Interest on Seller Note.....	500	1,512
Interest on Term Loan A.....	257	1,197
Interest on Term Loan B.....	815	3,047
Interest and amortization of discounts on First Mortgage Notes.....	16,359	--
Interest expense on hedging instruments.....	171	14
Less: capitalized interest.....	(429)	(18)
	<u>\$ 17,726</u>	<u>\$ 11,552</u>

10. Non-operating income (expense), net

Components of non-operating income (expense) were as follows at December 31 (in thousands):

	2002	2001
Interest income.....	\$1,954	\$1,085
Loss on extinguishment of debt.....	(3,378)	--
Other.....	181	(409)
	<u>\$ (1,243)</u>	<u>\$ 676</u>

11. Income Taxes

Income tax expense is comprised of the following for the years ended December 31 (in thousands):

	2002	2001
Current:		
Federal.....	\$795	\$5,830
State.....	947	--
	<u>1,742</u>	<u>5,830</u>
Deferred:		
Federal.....	1,455	(784)
State.....	--	--
	<u>1,455</u>	<u>(784)</u>
	<u>\$3,197</u>	<u>\$5,046</u>

The components of the deferred tax assets and liabilities were as follows at December 31 (in thousands):

	2002	2001
Deferred tax liabilities:		
Basis differences on property and equipment.....	\$(3,702)	\$(1,730)
Other.....	(1,809)	--
Total deferred tax liabilities.....	<u>(5,511)</u>	<u>(1,730)</u>
Deferred tax assets:		
NOL and capital loss carryforwards.....	8,477	5,302
Book reserves not yet deductible for tax.....	3,823	1,812
Tax credit carryforwards.....	73	--
Other.....	1,361	1,289
Total deferred tax assets.....	<u>13,734</u>	<u>8,403</u>
Valuation allowance for deferred tax assets.....	<u>(8,503)</u>	<u>(5,498)</u>
Deferred tax assets, net of valuation allowance.....	<u>5,231</u>	<u>2,905</u>
Net deferred tax assets (liabilities).....	<u>\$ (280)</u>	<u>\$ 1,175</u>

The effective income tax rate varies from the statutory Federal income tax rate as a result of the following factors (in thousands):

	Year ended December 31, 2002	Period from April 25, 2001 to December 31, 2001	Period from January 1, 2001 to April 24, 2001
Statutory federal income tax rate.....	34.0%	35.0%	35.0%
NOL and temporary differences for which no taxes were provided or benefits recognized.....	--	--	(25.6)%
State taxes, net of federal benefit.....	10.3%	--	--
Non-deductible provisions and expenses.....	8.3%	4.5%	(9.4)%
Effective tax rate.....	<u>52.6%</u>	<u>39.5%</u>	<u>0.0%</u>

11. Income Taxes (continued)

On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act which, among other things, requires the suspension of the use of the New Jersey net operating loss carryforwards for two years and the introduction of a new alternative minimum amount under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. The Tax Act is retroactive to January 1, 2002. In accordance with the Tax Act, the Company recorded a provision for current income tax of \$625,000, net of federal benefit, for the year ended December 31, 2002.

At December 31, 2002, the Company has a state net operating loss carryforward of approximately \$144.9 million. The carryforward will expire as follows: 2005, \$32.8 million; 2006, \$2.4 million; 2007, \$40.2 million; 2008, \$20.7 million; and 2009, \$48.8 million. The Company has reported a full valuation allowance against the carryforward because it does not expect to realize the tax benefit.

12. Commitments and Contingencies

Litigation

Various legal proceedings are now pending against the Company. Management considers all such proceedings to be ordinary litigation incident to the operation of its business. Management believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

License Renewal

On January 19, 2000, the New Jersey Casino Control Commission (the "NJCCC") renewed RIH's license to operate its casino hotel complex in Atlantic City for the four-year period ending January 31, 2004. A casino license is not transferable, and must be renewed every four years by filing an application, which must be acted upon by the NJCCC no later than 30 days prior to the expiration of the license there in force.

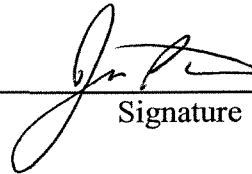
Commitments

The Company leases land, office space and certain equipment under non-cancelable operating lease arrangements. These leases expire in various years. Rent expense under these lease agreements for the year ended December 31, 2002, the period from April 25, 2001 to December 31, 2001 and the period from January 1, 2001 to April 24, 2001 were approximately \$3.7 million, \$3.1 million and \$433,000, respectively. Future minimum lease payments under non-cancelable operating leases consist of the following at December 31, 2002 (in thousands):

2003.....	\$2,594
2004.....	2,290
2005.....	2,290
2006.....	1,841
2007 and thereafter.....	23,144
Total.....	<u>\$32,159</u>

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.



Signature

Senior Vice President of
Finance and Chief Financial Officer
Title

4514-11

License Number

On Behalf Of:

RESORTS INTERNATIONAL HOTEL, INC.

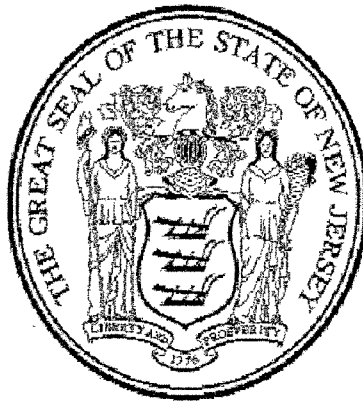
Casino Licensee

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE YEAR ENDED DECEMBER 31, 2002

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$ 2,832		
2	Returned Patrons' Checks.....	5,303		
3	Total Patrons' Checks.....	8,135	\$ 4,161	\$ 3,974
4	Hotel Receivables.....	282	41	241
	Other Receivables:			
5	Receivables Due from Officers and Employees.....	-		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	883		
8	Total Other Receivables.....	883	-	883
9	Totals (Form CCC-205).....	\$ 9,300	\$ 4,202	\$ 5,098

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 3,898
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits).....	104,890
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits).....	(80,932)
13	Checks Collected Through Deposits.....	(20,824)
14	Checks Transferred to Returned Checks.....	(4,200)
15	Other Adjustments.....	-
16	Ending Balance.....	2,832
17	"Hold" Checks Included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 1,355
19	Provision as a Percent of Counter Checks Issued.....	1.3%

Note: "Line 18, "Provision for Uncollectible Patrons' Checks", ties to line 10 of CCC-210, but not to Line 24 of the December 2002 CCC-101. The CCC-101 includes an adjustment for prior year uncollectible provision. Such adjustment was included on 2001's CCC-210 and CCC-340."

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

March 28, 2003
Date


Signature

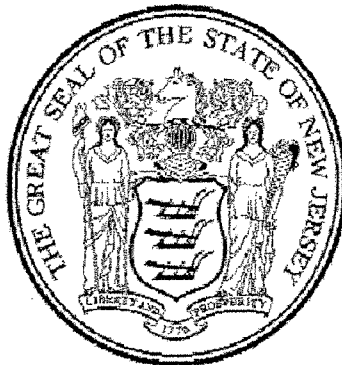
Senior Vice President of
Finance and Chief Financial Officer
Title Of Officer

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE YEAR ENDED DECEMBER 31, 2002

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



ANNUAL EMPLOYMENT AND PAYROLL REPORT

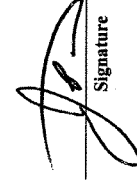
AT DECEMBER 31, 2002
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES			Totals (f)
			Other Employees (d)	Officers & Owners (e)		
1	CASINO					
2	Administration	3				
3	Gaming	629				
4	Slots	369				
5	Casino Accounting	19				
6	Simulcasting	12				
7	Other	12				
7	Total - Casino	1044	\$ 25,892	\$ 466	\$	26,358
8	ROOMS	290	7,324	413		7,737
9	FOOD AND BEVERAGE	707	13,464	-		13,464
10	OTHER OPERATED DEPARTMENTS					
10	Employee Cafeteria	40	1,044	-		1,044
11	Transportation	51	726	-		726
12	Uniform Room	15	330	-		330
13	Health Club	12	262	-		262
14	Reds	3	51	-		51
15	Other	13	206	-		206
16						
17						
18						
19						
20	ADMINISTRATIVE AND GENERAL					
20	Executive office	11	274	1,891		2,165
21	Accounting and auditing	67	1,361	229		1,590
22	Security	179	4,609	-		4,609
23	Other administrative and general department	105	2,777	-		2,777
24	MARKETING	205	5,218	538		5,756
25	GUEST ENTERTAINMENT	222	1,201	-		1,201
26	PROPERTY OPERATION AND MAINTENANCE	102	4,667	-		4,667
27	TOTALS - ALL DEPARTMENTS	3,066	\$ 69,406	\$ 3,537	\$	72,943

Under the penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, it is true and complete.

March 28, 2003

Date



Signature

Senior Vice President of
Finance and Chief Financial Officer
Title of Officer

TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

Amended

9/1/03

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2002

(\$ in Thousands)

Line

CASINO WIN:

1.	Table and Other Games Win.....	\$	69,877
2.	Slot Machines Win.....		192,897
3.	Total Win.....		262,774

Less - Adjustment for Uncollectible Patrons' Checks:

4.	Provision for Uncollectible Patrons' Checks	\$	2,034
5.	Maximum Adjustment (4% of line 3)	\$	10,511

6.	Adjustment (the lesser of line 4 or line 5)		2,034
----	---	--	-------

7.	Gross Revenue (line 3 less line 6).....	\$	260,740
----	---	----	---------

8.	Tax on Gross Revenue - Reporting Year (8% of line 7).....	\$	20,859
----	---	----	--------

9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		2
----	--	--	---

10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9).....		20,861
-----	--	--	--------

11.	Total Deposits Made for Tax on Reporting Year's Gross Revenue.....		(20,844)
-----	--	--	----------

Settlement of Prior Years' Tax on Gross Revenue

12.	Resulting from Audit or Other Adjustments - (Deposits) Credits		(2)
-----	--	--	-----

13.	Gross Revenue Taxes Payable (the net of lines 10, 11 and 12)	\$	15 ¹
-----	--	----	-----------------

¹ The amount represents an increase in tax for December 2002, as a result of a casino revenue adjustment following the end of the year.
The subsequent tax payment was made in February 2003.

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

Date

Signature

Senior Vice President of Finance
and Chief Financial Officer

Title of Officer